

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
D.T.E. 02-55
Responses to DOER'S First Set Of Information Requests

Request No. DOER-1-18:

KeySpan Energy Delivery New England, in D.T.E. 02-48, and Bay State Gas Company, in D.T.E. 02-52, have presented petitions for approval by the Department of each company's respective Boundary Gas Supply replacement contract. Is Fitchburg aware of the existence of a regional group of local distribution companies, in which both KeySpan and Bay State participate, that contracted for a gas supply with EnCana Corporation? If so:

- a) Did Fitchburg contemplate joining this regional group during its decision-making process for the capacity being sought in this proceeding? If so, please fully explain why Fitchburg chose to refrain from joining this regional group.

Response:

FG&E was aware that some of the Boundary Gas participants were seeking to collectively find a replacement via the Boundary Gas, Inc. Renewal Project.

FG&E was involved in the early part of this project, but was concerned that the group would focus on gas supplies that went beyond the five year period identified in the February 1, 1999 DTE order in Docket No. 98-32B. FG&E was also concerned with the future competitive viability of gas deliveries at Niagara based on its involvement in Boundary and information over the last several years indicating that Alberta gas suppliers were very dissatisfied with the net-back pricing results resulting from TransCanada Pipeline's increasing transportation rates.

As a result of those concerns, FG&E sought an alternative firm transportation arrangement to a strong supply point for firm deliveries to its city gate station. As a result of the open season process FG&E pursued with Tennessee Gas Pipeline, it was able to secure the Zone 6 transport from Dracut through January 31, 2004, which is the subject of this Docket. Because the Dracut Zone 6 to Zone 6 contract was secured prior to the required decision on the Zone 5 to Zone 6 Boundary transport, FG&E was able to notify TGP prior to January 15, 2002 that it would not renew the Boundary transport. In doing so FG&E reduced its pipeline transport costs and positioned it to secure access to the growing gas supplies from Atlantic Canada. It then withdrew from the Boundary Renewal Project.

Person Responsible: David B. Doskocil